

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION

SELECT COMMITTEE ON JOBS AND INCOME

Call to Order: By Chairman Bob DePratu, on November 30, 1998, at 9:30 A.M., in Room 104.

ROLL CALL

Members Present:

Sen. Bob DePratu, SD 40, Chairman (R)
Rep. Karl Ohs, HD 33, Vice Chairman (R)
Sen. Jon Tester, SD 45, (D)
Sen. Mignon Waterman, SD 26, (D)
Sen. Lorents Grosfield, SD 13, (R)
Rep. Bruce Simon, HD 18, (R)
Rep. Emily Swanson, HD 30 (D)
Sen. Mike Taylor, SD 37 (R)
Rep. Doug Mood, HD 58, (R)

Members Excused:

Rep. Carly Tuss, HD 46, (D)

Staff Present: Gordon Higgins, Legislative Services Division
Debbie Thompson, Committee Secretary

Minutes are condensed and Paraphrased. Cross referencing can be done through tape notations.

Committee Meeting Dates:

Meeting Dates Posted 11/24/98

Subcommittee on Research
and Development

11/30/98, Room 104 8:00

**Select Committee on Jobs
and Income:**

11/30/98, Room 104 9:30

12/1/98, Room 325 8:30

Public Input

12/7/98, Room 104 9:30

12/8/98, Room 325 8:30

MEETING ON JOBS AND INCOME PROPOSALS

Proposals are continued from 11/23/98, (refer to Jobs and Income Pamphlet from that prior meeting)

Subcommittee Report: Rep. Swanson reported on the Research and Development Subcommittee that met at 8:00 AM this morning. The issue of the sale of Montana Power Company was discussed. Since small electrical producers that sell power to Montana Power were not part of the sale, there were some implications on capital gains versus the availability of tax revenues. Mike Pichett of Montana Power Company said there had been no decision to buy out those contracts, however, it would be deductible and may reduce taxable gains.

Sen. Grosfield discussed the subcommittee concerns regarding lack of a funding source for research. He pointed out the need to coordinate research with Montana State University to effect the commercialization commission.

{Tape : 1; Side : A; Approx. Time Counter : 4.9}

Dr. Peter Blouke, Director of the Department of Commerce distributed an agenda for the reception and convention of the America's Growing Digital Divide, put on by the Center for the New West, inviting the committee. **EXHIBIT(joh00a01)**

{Tape : 1; Side : A; Approx. Time Counter : 9.4}

SMALL BUSINESS DEVELOPMENT CENTERS (Jobs and Income Pamphlet, p.43) Blouke expanded on the pamphlet information, referencing the Jobs and Income, Investing in Montana Families Briefing Book, Tab 26 He pointed out the request for funding to expand the Small Business Development Centers was one of the most effective tools for technical assistance both for new and expanding business. There was a recent review done to look at the system in general such as quality of services. There was concern that there was a need for state support, which was an important component of the overall economic strategy.

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Andy Poole from the department clarified the need for greater state participation. He pointed out that in order to get new federal money, an increase in participation for matching funds would be needed rather than just local government matches. The need for an expansion of centers was discussed. Poole pointed out the territory is huge and each SBDC center is staffed by one individual who provides small business consulting in that region.

AGRICULTURE BUSINESS ASSISTANCE (Jobs and Income Pamphlet, p.44)

Ralph Peck, Director Department of Agriculture, identified the need for business development to serve Montana's agricultural industry. Sen. Taylor asked whether the department did this already. Peck replied that the Growth Through Agriculture program plus two interns work on market development activities, however, this is not enough help to ensure success. He said the proposal would allow the development of niche markets and further business developments. Coordination with the commerce department, trade center and universities to provide technical and financial assistance would help meet the objectives in the proposal. Sen. Taylor asked if a large hog co-op being considered in central Montana could get assistance. Peck replied that Loren Woolery from the 2005 Task Force would work with pork producers and look at the feasibility.

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Rep. Simon questioned the need for two full time employees. Peck replied that agricultural business assistance would be provided within budget parameters, but based on the workload and demand, the employees would be kept very active. He said this proposal would be a good investment. Sen. Tester asked if they intended to service only production agriculture. Peck said it would serve all facets of agriculture. He discussed an example of a mushroom facility that was proposed for the Helena area. He said the department was not able to follow up after helping with initial requests, since they were short on staff. He pointed out the ability to follow up meant not only providing information and expertise to businesses but expansion and the addition of value to commodities produced in the state. He said presently there are lots of lofty goals but no one assigned to make it happen.

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Rep. Simon said he understood the emphasis on agriculture but a general business development group could do the same thing since the resources seem the same. Peck replied that the emphasis needs to be on agriculture.

{Tape : 1; Side : A; Approx. Time Counter : 46.7}

Chairman DePratu pointed out that the proposal was important for jobs. He said it was important to coordinate efforts, be centralized and not waste FTE's.

Rep. Swanson pointed out the various requests for FTE's, tab 14, 18 and 27, which were all agriculture and all business promotion. Peck clarified which were marketing positions and which were

clerical. Blouke pointed out the spread sheet on the back cover of the briefing book which details funding sources.

Rep. Swanson discussed ongoing efforts to consolidate state government. She said it was a struggle with temptation to increase bureaucracy. Care should be taken not to overlap and only have FTE that are necessary. Blouke discussed the use of contracting with the private sector for marketing. He pointed out the FTE was a one time funding. Rep. Swanson asked if this was a one time funding how could it be evaluated in two years if the money was well spent. Blouke replied that this would be demonstrated by the establishment of new markets for companies. It was important to produce results.

Sen. Grosfield asked for clarification on Tab 14 FTE. Blouke described ideas of contracting for marketing services. Sen. Tester asked how this would compare in cost relative to FTE. Blouke pointed out the real critical need in the state was in the area of marketing. Increased foreign trade efforts was a critical strategy to improve Montana's market penetration.

RAIL TRANSPORTATION TECHNICAL ASSISTANCE (Jobs and Income Pamphlet, p.45)

Ralph Peck discussed the issues that were addressed last biennium by the Wheat and Barley Commission regarding emphasis on rail transportation. He pointed out the high shipping costs on railroads needed to be addressed.

Marvin Dye, Director Department of Transportation, said he supported the need for funding this strategy to get representation for rail transportation issues. Sen. Taylor said the primary issue was how to get lower rates. Dye pointed out a consultant could affect public opinion by putting pressures on shippers. Montana is a captive shipper but has had little effect over the years in changing the situation. Ralph Peck pointed out the Canadian rail potential. He said the U.S. trade representative should ask Canada for access to Canadian rail. This proposal would provide the ability to address the issue.

Rep. Mood said the market determined the need for transportation. Montana producers could join a co-op to negotiate a contract for better rates. Dye thought most agriculture products moved by rail. He pointed out Montana has the highest weight limits on trucks in the country. Some grain is shipped to Butte but the railroad establishes the rates.

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Rep. Mood noted the various shipping destinations that were controlled by freight rates. Sen. Grosfield asked about other industry experience, such as coal. Peck pointed out the coal industry had better success than lumber. There were discrepancies in rates. He said he was hopeful for Canadian rates. Rep. Simon noted rail was still cheaper than trucks.

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Peck talked about the transportation hub in Butte, which makes Butte competitive but they serve a different market. Butte's status as a free port has some bearing on imports.

Rep. Simon asked about comparing various means of transportation. Peck pointed out the difficulty since trucks were not tracked as to destination from Canada. Rep. Simon said it looked like Canadian rail would provide a competitive link.

{Tape : 1; Side : B; Approx. Time Counter : 21.4}

BUSINESS START-UP AND EXPANSION TRAINING (Jobs and Income Pamphlet, p.47)

Andy Poole, Department of Commerce, discussed the strategy to train new business owners in small business practices and principles. The initial idea was started by U.S. West but over the years they have dropped their funding to the current \$15,000 a year. Poole explained that the idea was so successful that a pilot program was created to be used in high schools. He noted that Montana was the top five in the country in business startups. The need for job training extended to small businesses and high school-to-work projects was necessary for success.

Rep. Swanson asked Barb Ranf, U.S. West, about the public-private partnership and the benefit to U.S. West financially with the creation of new businesses needing services which seemed like an appropriate long term investment for U.S. West. Ranf said the U.S. West program was important but they needed to see the program be self sustaining.

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Sen. Taylor said U.S. West had been a total funding source. Poole suggested the private sector was used to paying to take courses and that tuition should cover costs. U.S. West can not cover all the costs of the program today. This program needs increasing state responsibility to help in training plus the extension into K-12 education. He noted the need for summer training for teachers so they can provide this as part of their curriculum during the school year.

Rep. Simon said for a self sustaining program it appeared to be going in the opposite direction, moving toward government funding and dependence on government. He felt tuition should support the program. Poole responded that prospective businesses expect to pay 200-300 dollars for a course but should not pay more. This program addresses the issue of the small business failure rate where training would help businesses succeed. Rep. Swanson stressed the need to look for other funding options because a general fund allocation could go on forever. Poole said training was essential and the state should support this. Increasing sales for business would be an indication the training was a success.

Sen. Waterman discussed the government role in economic development. She said it appeared to be a good investment of state dollars to help people be successful. This success would translate into growth in employment. She questioned whether this program was investing or subsidizing.

{Tape : 1; Side : B; Approx. Time Counter : 39.7}

APPRENTICESHIP TRAINING (Jobs and Income Pamphlet, p.48)

Peter Blouke said the reason this topic was included was the Apprenticeship Training Program bounced from one funding source to another. This program would be located in the Department of Labor and would be provided a stable source of state matching funds for apprenticeship training in Montana.

{Tape : 1; Side : B; Approx. Time Counter : 41.4}

MICROLOAN TECHNICAL TRAINING (Jobs and Income Pamphlet, p.49)

Andy Poole described the strategy of providing counseling, workshops, seminars and networking through teleconferencing, Internet and other communication technologies with the focus on rural areas and Native American reservations. This strategy would help reduce unemployment and help reduce business failure. He said this would provide one-on-one technical assistance.

Rep. Simon asked about the availability and capacity of conferencing sites. Barb Ranf said she did not think that U.S. West serviced the reservation. She said she would check on this.

Tony Herbert, Administrator of the Information Services Division of the Department of Administration, discussed the state management of METNET, a tele-medicine network. He said it could extend to twenty conference sites

Poole noted the unemployment rate on the reservation was 40-60%. Technical assistance would help them create their own jobs. He said this would be an opportunity to provide technical assistance

on reservations and off reservations in rural areas for people to get the skills they need.

Sen. Waterman asked for information regarding the capability of the tribal college to deliver training.

{Tape : 1; Side : B; Approx. Time Counter : 54.3}

TELECOMMUNICATIONS (Jobs and Income Pamphlet, p.51)

Peter Blouke discussed the development of the idea to look into the feasibility of using highway right of ways to expand telecommunications into rural communities for high speed access. He said the new federal highway act made this a possibility. He said this would attract more technology based businesses to Montana. He said they were trying to find ways to set up a trust to provide funding to establish a telecommunications infrastructure.

Marvin Dye, Director of the Department of Transportation discussed possible pitfalls in the strategy. **EXHIBIT (joh00a02)** He said it sounded like a good idea but safety was a consideration. The highway system allows, free of charge, utilities access to the highway right of way. However, if utilities need to be relocated, the state pays 75%, which averages 4-6 million a year on the federal systems. Since the federal government paid 87% and the state 13% for the purchase of absolute right of ways, any revenue generated would have to go back to that system. He pointed out the experiences of other states regarding legal challenges.

{Tape : 1; Side : B; Approx. Time Counter : 58.9}

Dye talked about the unresolved issues that would need attention (See Exhibit 2). The need for an administration process for fees and agreement negotiations would be needed. Public safety and legal issues would all need attention.

Sen. Grosfield questioned the need for telecommunications advancement. Blouke said the recommendation was complicated but not impossible. The current statute would need to be changed in order to pursue this. He said it was important to note that the federal government has provided the flexibility for the state in how funds can be used.

{Tape : 2; Side : A; Approx. Time Counter : 3}

Sen. Waterman pointed out the issues appeared to be the patchwork system and dealing with troublesome landowners. She asked why this only pertained to the interstate system. Blouke responded that the difficulty was getting lines to small communities. The

concern of the transportation department was the state obligation to pay 75% to move the fiber optic system should there be changes in the road. Sen. Waterman observed that the interstate did not run through small communities. The interstate right of ways were already being employed. The issue was allowing access to right of ways on secondary highways. She said there was a need to resolve the cost of relocation. A tax incentive proposal for telecommunication businesses to take advantage of expansion into small communities by using right of way land could be considered, or the availability of trust fund dollars to aid expansion.

Barb Ranf, U.S. West, discussed the major backbone was already in place. The access for fees needed to be fair. Of the two different ideas, the tax incentive was the most attractive. She said if there were a tax incentive, the deployment of the plan to develop high speed access into rural areas could be accelerated.
{Tape : 2; Side : A; Approx. Time Counter : 12.1}

Sen. Waterman noted the telecommunications excise tax was a good source of revenue but a tax credit would encourage business in this area. Rep. Swanson said she was not clear on how much fiber line was already in place and how much more would be needed. What was the role of satellite technology? Would satellite technology take over?
{Tape : 2; Side : A; Approx. Time Counter : 14.7}

Blouke said it was his understanding of the cooperatives such as U.S. West and Montana Power, they have a good fiber optic system in place but they are not all high speed. The telecommunication industry is changing rapidly and there is a need for ongoing funding mechanisms. If changes occur, there is a need to have the ability to change to a world class system, whether it be satellite or other areas.
{Tape : 2; Side : A; Approx. Time Counter : 15.9}

Tony Herbert, Information Services Division, discussed the current system. He said the system is good but the issue is focused on by changes in the federal law that make it possible. The issue to consider is: who might want to use this. The changes possible for business are tremendous.
{Tape : 2; Side : A; Approx. Time Counter : 17.3}

Rep. Simon pointed out that the use of right of ways were already well developed as were the use of railroad right of ways. The rural areas do not involve the interstate system. The pressing need is for rural areas not the interstate system. Ranf said the networks were already in place and the big telecommunications systems keep up to date with the latest technology.
{Tape : 2; Side : A; Approx. Time Counter : 19.1}

Sen. Taylor commented on the possibility of 200-300 new satellites which may make fiber optics obsolete. Herbert talked about the low orbit satellites. He said the obsolescence of fiber was a long time away. The industry would certify their involvement with the fiber technology.

{Tape : 2; Side : A; Approx. Time Counter : 22.1}

Marvin Dye said the department would be proceeding to draft a bill to permit the use of the right of way.

{Tape : 2; Side : A; Approx. Time Counter : 23.8}

Lunch Break 12-1:30

EXHIBIT(joh00a03)

{Tape : 2; Side : A; Approx. Time Counter : 24.4}

TELECOMMUNICATIONS-Electronic Commerce (Jobs and Income Pamphlet, p.53)

Blouke discussed the recommendations by the advisory council to develop electronic communication certification to ensure both the sender and the receiver of the credentials and encrypted transactions to ensure safety. He said they did not want to lock into technology but legislate to allow opportunity to participate in electronic communication. He said this may be a stand alone piece of legislation.

Sen. Grosfield noted this was a sophisticated area and caution should be exercised. The important issue was certification against fraud. Blouke said he chaired the subcommittee that drafted the model legislation along with the National Council of State Legislatures, Associations of Secretary of State Offices, National Association of State Budget Offices and they looked at all proposals. He said this would enable legislation to allow the state to get into electronic commerce.

Rep. Mood asked for clarification on what was being allowed with electronic commerce.

Angela Fultz, Chief Deputy, office of the Secretary of State, said the bill allows comparisons with other states. The Internet transfers information, looks for legitimate registrants. This would allow state agencies to electronic transfer funds on line.

TELECOMMUNICATIONS-Private Access to State Infrastructure (Jobs and Income Pamphlet, p.52)

Herbert pointed out the network map, referencing A Statewide Comprehensive Telecommunications Plan. **EXHIBIT(joh00a04)** The final map will be available December 12. He stated the

recommendations from this council meeting was the impetus for the jobs program.

Blouke explained the strategy would allow private companies access to the state video network. Costs for Internet access are prohibitive in some areas of Montana. The State has SummitNet access points in every county and could make it available to new businesses with connect fees being the responsibility of individual businesses. This would require a change in the law. He pointed out the need to ensure competitive pricing.

Tony Herbert clarified the recommendation was in two areas, one the Statewide Video Network and the other SummitNet. There are some unique differences in the system. The video strategy should be used when there are no other options available. He stated the state data network is dicey in that some of the system is under lease. Sen. Waterman noted that many universities had high speed lines. Herbert said there was hope the system could expand for economic development use.

{Tape : 2; Side : A; Approx. Time Counter : 40.3}

Rep. Simon asked what technical requirements there were for the high speed capabilities. Herbert responded the facility was computer based. Technology was not the hurdle but rather more of an economic and facilities problem. Scheduling would be complicated.

Rep. Simon noted the concern would be competition with the private sector. The advantages would be confirmed by the demand.

Sen. Taylor said the point was to get small communities to use the site to do business. This may stimulate the economy. He asked about the cost per hour to use the system. Herbert replied \$15 per hour per site but an increase was coming.

{Tape : 2; Side : A; Approx. Time Counter : 46}

CERTIFIED COMMUNITIES (Jobs and Income Pamphlet, p.54)

Andy Poole discussed the need to establish and maintain an active network of local development organizations to help develop economic opportunities and provide state funding for local efforts. He referenced page 51 of the briefing book, Tab D. The map on page 52 shows current certified communities.

Sen. Grosfield asked about the number of certified communities and how long it took to become certified. Poole responded the majority of communities were certified from the beginning. Re-certification takes place every two years. Sen. Grosfield commented that it appeared to force communities to go through a

healthy process which stimulated their efforts. The problem with the program is volunteer status where people get burned out. If the community is not active in re-certification, the program falls down.

{Tape : 2; Side : A; Approx. Time Counter : 53.7}

HOUSING (Jobs and Income Pamphlet, p.55)

Blouke explained the need for action to authorize property tax relief for rental housing that provides affordable housing to low-income tenants. The second need was for continued efforts of the Montana Home Ownership Partnership to reduce the cost of new house construction. He stated this area was an important part of the overall economic development picture.

Rep. Simon said in regarding affordable housing to look at the regulation side. Houses would be more affordable if some of the regulation requirements would be revised. He said an example of this under energy, a basement must be insulated immediately upon construction, however, if the house was occupied first and insulated later it would reduce the cost by \$5,000.

{Tape : 2; Side : B; Approx. Time Counter : 5.1}

REGIONAL WATER SYSTEMS (Jobs and Income Pamphlet, p.56)

John Tubbs, Department of Natural Resources and Conservation discussed the development of regional water systems and the need for increased bonding authority to fund large systems. He pointed out the difficulty small systems have in complying with the federal Safe Drinking Water Act and the problems with sulfates and other impurities. He stated from the state perspective, the Fort Peck proposal was delayed since they haven't fully documented the issue. However, the Rocky Boy system had been through congressional hearings, had fit in with the balanced budget criteria and were on the road to congressional authorization. Tubbs said there were plans to augment the Treasure State Endowment in order to grow a revenue source to provide the matching fund requirement. If this were not possible the money would revert back.

{Tape : 2; Side : B; Approx. Time Counter : 14.7}

Sen. Grosfield asked what other projects were considered. Tubbs replied the Fairfield Bench area had a tough time when looking at the system requirements.

Tubbs said there was a need to show a more cost effective analysis versus the stand alone systems within each community. The initial cost is expensive but it is offset with the benefits supporting one regional system. The benefit of the tribal participation is they are paying for the non-tribal system.

Rep. Simon asked how the current systems would be impacted. Tubbs replied since they were out of compliance and their surface intakes were in need of repair, they would be taken off line. He said presently there were three systems in compliance; of the 12 remaining, they are already out of compliance with the Safe Drinking Water Act.

{Tape : 2; Side : B; Approx. Time Counter : 24.9}

Rep. Simon asked what the cost of compliance would be rather than abandoning the systems. Tubbs replied the treatment plant in Hill County was estimated between 1-3 million, Tiber 1 1/2 million.

{Tape : 2; Side : B; Approx. Time Counter : 28.2}

TREASURE STATE ENDOWMENT PROGRAM (Jobs and Income Pamphlet, p.57)

Blouke explained the program would allow the Governor to approve Treasure State Endowment Program awards on an interim basis during non-legislative periods. He noted the problem was the time required to get projects approved which were currently approved by the legislature. It would be better to allow communities to be able to do this at the local level since delays add costs. He said there were loans by the Board of Investments that would be paid off so more funds would be available. He noted there were more applications for infrastructure needs than there was funding.

Rep. Simon suggested the department look at changes from grants to an interest buy down program. Buying the interest rate down was available to communities but would change the direction of the program and would be an alternative approach. Tubbs said this was already an option but was not used. Water and sewer has low interest loans but small communities can't pay back the principal.

{Tape : 2; Side : B; Approx. Time Counter : 36.9}

Sen. Waterman stressed the need for increased funding and a need to look at funding for non legislative years to address the infrastructure problems.

TOURISM SIGNAGE (Jobs and Income Pamphlet, p.58)

Blouke reported the need for an overall state policy to develop and implement a uniform signage policy for tourism related sites. Statistics demonstrate good signs would encourage tourists to stay an extra day which would generate 21 million dollars.

Rep. Ohs discussed the Virginia City area and need for signs on the Interstate system and even secondary roads. Blouke pointed out the new federal regulations allowed for more flexibility in

this area. The federal highway program concur with the need for more visitor signage.

Sen. Grosfield asked if this funding came from bed tax. Blouke responded that no it did not, rather the majority of the funding came through the Department of Transportation.

LOCAL LEADERSHIP GRANTS (Jobs and Income Pamphlet, p.59) Blouke explained this was a local leadership program for a grant program for access to monetary resources to develop leadership activities. He noted the local level communities were struggling without resources in terms of number of people to help the community with an interest in developing local expertise.

{Tape : 2; Side : B; Approx. Time Counter : 47.6}

MAIN STREET PROGRAM (Jobs and Income Pamphlet, p.60) Poole distributed draft legislation regarding the program **EXHIBIT (joh00a05)**. He said this program would assist in revitalizing downtown commercial and historic districts in communities of all sizes. This activity would stabilize and enhance local economies. He discussed changes in population. He noted the program would need coordination in the selection process and then work with communities to get their projects up and operating. This program works together with historic preservation.

{Tape : 2; Side : B; Approx. Time Counter : 55.5}

Poole explained it made sense for small communities to participate in the Main Street Program for assistance. There is a great deal of coordination with economic development groups where the program will be delivered locally through a one-stop shop.

Sen. Taylor asked why this was not part of the Historical Society. Blouke responded that the thrust of main street is economic development which is better placed in Commerce.

AIRLINES (Jobs and Income Pamphlet, p.61)

Blouke discussed the airline issue. Air transportation is a serious problem for economic development. The idea of putting together an air transportation strategy, working with airport managers on this issue plus adding more flights was a need that would bolster economic development. Copies of faxed letters and news releases were distributed during the break.

TAXES AND REGULATIONS (Jobs and Income Pamphlet, p.63)

This topic will be presented Monday, December 8.

ONE-STOP LICENSING AND PERMITTING (Jobs and Income Pamphlet, p.64)

Blouke explained the proposal was to streamline licenses and permits into a single annual fee. He noted there were major steps taken to reduce overhead costs. This project would allow a greater number of state licenses to be included in the program and allow a wider range of Montana businesses to participate.

Rep. Swanson voiced concern about requiring existing staff to do more. Blouke replied the objective would try to limit creating more bureaucracy. Instead, priorities would be shifted. No one is under employed, just some priorities are higher. He explained the there were resources to accomplish the one-stop "meta project".

{Tape : 3; Side : A; Approx. Time Counter : 12.7}

Swanson cautioned that the legislature needs to be aware that as duties are added something must be dropped.

ELECTRONIC LICENSING (Jobs and Income Pamphlet, p.65)

Blouke explained the proposal would allow the use of technology for routine professional and occupational registration. This would incorporate some thirty licenses, save applicants' money and be user friendly. The boards have reviewed the issue and they support it.

Sen. Taylor questioned user fees. He said he would envision fees dropping since this saves time, money and FTE's. Blouke said the establishment of a computer data base for this procedure was already being looked at. In fact, bids were being entertained to provide this on-line licensing. The project is both realistic and documented.

{Tape : 3; Side : A; Approx. Time Counter : 16.6}

Rep. Simon noted the proposal has good potential. He pointed out one problem would be the public could look into the data base and view personal information, such as home addresses. Blouke noted the boards had objected to the general public involvement, for example licensing boards are also involved in complaint tracking.

{Tape : 3; Side : A; Approx. Time Counter : 19}

Rep. Simon said when people apply for a license they should be informed about the time frame and when they could expect the results.

Sen. Waterman voiced concerns about safety. A consumer can look up a home address of someone not paying child support. She

cautioned about the type of information that would be made available.

REGULATORY PERSONNEL CUSTOMER ASSISTANCE TRAINING (Jobs and Income Pamphlet, p.66)

Blouke explained the need to improve customer assistance skills of state employees performing regulatory activities. He said the attitude of regulators needed to change to that of enablers. The need for training and orienting employees on an approach with customers would facilitate success. It was the recommendations of the focus group that all regulation staff have mandatory training to deal with the public as enablers rather than regulators.

{Tape : 3; Side : A; Approx. Time Counter : 30.4}

Sen. Waterman said this should apply to all state employees especially with those dealing with Human Services, and should be a part of a six month probationary period to include mandatory customer training. Blouke agreed and pointed out this effected economic development and was an ongoing issue to be aware of and monitored. Sen. Grosfield said he liked the attitude of enabling which would improve people's attitude toward government.

DISPUTE RESOLUTION PROCESS (Jobs and Income Pamphlet, p.67)

Blouke explained the proposal would simplify dispute resolution for Montana businesses by placing employment law experts at the local employment offices. The benefit of this change would reduce business costs and free up money for business expansion. Rep. Simon noted this change would cut down on layers as long as it could be streamlined without trampling on rights.

{Tape : 3; Side : A; Approx. Time Counter : 34.9}

Sen. Waterman asked if this was appropriate for government to place employment experts in the state rather than in the private sector.

{Tape : 3; Side : A; Approx. Time Counter : 37.8}

Rep. Simon asked about employment size of businesses, which seemed to be small proprietors, but who was the five big employers in the state. Poole responded, Semi-Tool, Hospitals, Burlington Northern, Washington Corporation and others he would verify.

Sen. Taylor asked about the different economic income statistics if these included government jobs or education K-12. Blouke commented there were liars, damn liars and statisticians. The

wage statistics, it was important to recognize the government sector, which also has a high number of federal employees which were included in the figures. Government jobs produced good money into the state which was good for economic development.

{Tape : 3; Side : A; Approx. Time Counter : 41.6}

Sen. Taylor pointed out if you take out the federal and state employee figures in the income calculations, the average income is \$17,500. This is not far above the poverty level.

ADJOURNMENT

Adjournment: 4:15 P.M.

SEN. BOB DEPRATU, Chairman

DEBBIE THOMPSON, Secretary

BD/dt

EXHIBIT (joh00aad)